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UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
FARGO, NORTH DAKOTA

Reserve

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THE AAA IN RELATION TO FAMILY LIFE  
AND THE HOME



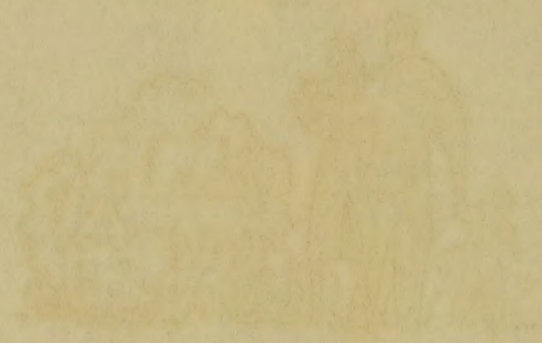
North Dakota  
Agricultural Conservation Committee  
May, 1940

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THE AAA IN RELATION TO FAMILY LIFE AND THE HOME

North Dakota is a young State. Redmen and whitemen who hunted buffalo and saw the railroads push their gleaming paths across the plains still survive to tell the story. In those days the land was rich with promise. The golden grain fields waving in the breeze were as the rolling ocean waters. As word of this new land spread, men and women came from Europe as well as the eastern states to break the new soil. Farm homes dotted the prairie which was rapidly becoming plowed land. Some of the farms were two or three townships in extent. Such bonanza farms are gone now, but the size of the farms today still startles those familiar with agriculture in other States, for many of the holdings are still as high as 10,000 acres, and the average for the whole State is 463 acres as against the United States' average of 154.8 acres. Loads of wheat, and thousands of cattle, sheep and horses gave proof of the fertility of North Dakota.

For more than half a century the soil was exploited thoughtlessly and recklessly in North Dakota as well as other states in the union. It was during this time that our soil and other natural resources seemed inexhaustible. Not much thought was given to conserving them and as a result we suffered a tremendous loss of natural resources. It is estimated that to date, mostly during the last 100 years, 50 million acres of cropland in the United States have been completely destroyed by wind and water erosion. This estimate does not include the acreage which has been damaged by erosion and which is also subject to it. To give you a concrete picture of how vast an area this is, 50 million acres is about twice the size of the total cropland in the whole State of North Dakota. Enough soil is eroded annually to fill a train of freight cars that would reach around the earth at the equator 19 times!!

The annual erosion loss to America is estimated at \$400,000,000. What could the housewives of America do with \$400,000,000?

We have misused and destroyed a large portion of our forest trees. Every year about 350,000 tons of hemlock bark are wasted in Washington and Oregon alone. This bark could be utilized in the making of tanning extract which would be worth \$5,000,000. Instead of that, we spend annually over \$15,000,000 for vegetable tanning material.

Have you ever thought of soil conservation as being home conservation? Well-protected soil and well-kept farm buildings usually go hand in hand, while soil wastage has helped wreck some of rural America's finest homes. Driving along out in the country, the condition of the buildings on a farm tell the story of the land surrounding those buildings. Conserving soil is not an end in itself. It is only a means to an end of better living and greater security for men and women.





Agriculture ranks first in vital, economic importance to this Nation and it is the enduring foundation of our civilization. Our land with its resources is the most important possession of our people. From 1920 to 1933, our farming people and the entire agrarian industry were in a state of progressive ruin and distress. An ailing agriculture inevitably resulted in an ailing national economy.

The World War in Europe in 1914 created an increased market for American Agricultural products and thus American agriculture expanded. During the World War the foreign demand for United States' agricultural products more than doubled. At the same time industrial development was stimulated due to the industrial export demand which had tripled. With such favorable industrial and labor conditions, the domestic demands also increased. After America entered the World War in 1917, American farmers were encouraged by high prices for their products. Millions of acres of grassland in the Great Plains were plowed up and seeded to wheat. Other millions of acres of marginal land were temporarily brought into production. "Food will win the war," was the slogan of the time.

Agricultural production increased tremendously but at a much higher cost to the farmers. In order to buy more land on which to grow more food, and to buy more machinery with which to operate it, thousands of farms were heavily mortgaged at war-time values. Prices for farm land rose right along with prices for farm products. Cost of production went up with prices of farm products and land prices. All of this happened through lack of foresight as to the ultimate consequences of the seemingly good times that were being enjoyed.

Before the World War, in order to develop its resources quickly, the United States borrowed money from Europe. During the war, the United States was paying this debt by large exports, mostly farm products which the foreign countries needed. After the war, the abnormal demand ceased and the surplus production of millions of acres was thrown upon a market of which the export portion had dwindled. In addition to that the horses and mules were replaced by trucks, tractors and automobiles and that meant the loss of a market for 35 million additional acres of feed crops.

The brief period of prosperity was followed by a long period of depression. In 1920-21 farm prices were drastically reduced. In spite of this drop, however, the cost of production remained the same. The farmer was neither able to buy, nor was he able to pay his debts. More than 450,000 full owners lost their farms in the ten-year period that followed.

From 1929 to 1932 the annual cash income of farmers in the United States had dropped from a little less than \$10,500,000,000 to about \$4,500,000,000. The same huge debts incurred during the war still existed to be paid at war-time values in spite of drastically reduced prices and lower purchasing power. In an effort to secure enough income to pay the taxes and to provide their families with a decent standard of living,





the farmers were forced to increase their acreage of cash crops. This created a greater surplus than ever, which was accompanied by low prices and low purchasing power of the consumers. With a lack of consumers' purchasing power the market for industrial products declined and thus the whole nation was affected by what happened on the farm.

The amount of money a farmer has to spend for living after paying his farm operating expenses is what he is mostly concerned with. After deducting all operating expenses, in 1932 the farm income available for the support of all farm families was only \$1,200,000,000. This amounted to about \$40 a year per farm person. At that time it took 2 bushels of wheat, or 2 hogs to buy what was formerly bought with 1 bushel of wheat, or 1 hog.

Realizing the problems of agriculture, farmers met in community, county, state and national conferences with government councilors in order to exchange ideas and to pool their knowledge in an effort to draft a program for the purpose of finding a solution for the national problems.

In a democracy, the government is the service organization of the people. Agriculture appealed to its government and in recognition of this appeal Congress passed the Agricultural Adjustment Act of 1933 which was the beginning of our present farm program. The Agricultural Adjustment Act of 1933 was by no means the first act having to do with agriculture. National agricultural legislation began with the passage of the Homestead Act in 1862. A study of agricultural legislation since that time reveals that attempts have been made to meet the agricultural problems which existed prior to this time.

The Morrill Act became law in 1862. Its purpose was to grant land to states for the establishment of agricultural colleges and mechanical art schools. These schools were later known as Land Grant Colleges.

The Hatch Act which is sometimes known as the Agricultural Experiment Station Act became law in 1887. Its purpose was to establish agricultural experiment stations for the study of plants and animals to determine adaptability and improve varieties and breeds.

The Smith-Lever Act, also known as the Agricultural Extension Act, became law in 1914. Its main purpose was to create an organization for the distribution of information which had been obtained by the Agricultural Experiment Stations and the Department of Agriculture. The Agricultural Extension Service was created and still functions as the major educational organization for all Department of Agriculture action agencies.

The Equalization Fee Plan was proposed by the McNary-Haugen Bills of 1924, 1927, and 1928. This plan proposed to dispose of agricultural surpluses of the United States at world prices, meanwhile allowing prices on the portion consumed on the domestic market to rise behind a tariff wall.





They proposed to finance the laws on surpluses sold abroad through the collection of an equalization fee levied against the product. None of the McNary-Haugen Bills ever became law.

The Export Debenture Plan was proposed in the McKinley-Adkins Bill of 1926 and the Jones-Ketchan Bill of 1928. This plan was essentially the same as the Equalization Fee Plan but differed in that it provided for the use of tariff revenue to pay export subsidies on surpluses rather than a fee levied against the product. Both of these plans were proposed in the belief that if the volume of exports would increase, ultimately, the domestic markets would be free from the weight of surpluses and thus the domestic prices would be raised above the world price by the amount of the tariff.

The Agricultural Marketing Act of 1929 created the Federal Farm Board. This act provided for an improvement in marketing approach to the farm problem. It encouraged marketing cooperatives in an effort to bring about more orderly marketing. The act also provided for price stabilization by making loans to cooperatives to enable them to hold agricultural products off the market. The act also created stabilization corporations which at one time purchased cotton and wheat on a large scale attempting to prevent price decline. Because of uncontrolled production the stabilization features of this act eventually failed.

The Hope-Norbeck Bill of 1932 proposed to create a domestic allotment plan. This plan originally proposed a system of certificates enabling producers to sell on a domestic market at protected prices that portion of the crop normally consumed domestically. The surpluses were to be exported without subsidy. The bill also provided for some production control with benefit payments paid on domestic allotments out of the proceeds of a domestic allotment tax. This bill never became a law but is significant because it reflected a growing doubt as to the possibility of exporting unlimited quantities of farm products and an increasing belief that in some way an attempt should be made to regulate production.

The Agricultural Adjustment Act became law in 1933. It provided for an adjustment of the production of the seven major farm commodities which were considered as being produced in surplus quantities. These commodities were wheat, corn, cotton, hogs, rice, tobacco and dairy products. Benefit payments to cooperating producers were derived from a processing tax. This act was in operation until January 6, 1936 when the Supreme Court declared the processing tax unconstitutional. Soon after this, the Soil Conservation and Domestic Allotment Act of 1936 was enacted. This act is still in effect but has been amended and strengthened by the Agricultural Adjustment Act of 1938 which was enacted on February 16, 1938. In studying the Agricultural Adjustment Act we find that it embodies the thoughts and desires of the Agricultural leaders as expressed in legislative attempts up to 1938. In so doing, the act provides for a well-rounded agricultural program.



The three main objectives of the Agricultural Adjustment Act are:

- (1) Conservation. To protect and restore the soil resources of the nation by enabling farmers to plant soil-building crops and carry out soil-building practices.
- (2) Abundance. To stabilize and maintain adequate food supplies for consumers at all times, fat as well as lean years.
- (3) Parity. To raise farm income by bringing supplies of major crops in line with demand and by offering payments to farmers for cooperating in bringing about better conditions for agriculture.

#### CONSERVATION

Conservation is utilizing our resources without wasting them. Under the AAA Program tillers of the soil are paid for keeping the land in as good condition as possible. Every farmer is interested in doing this himself, but due to lack of income in so many cases it is impossible for him to do so. In order to help these people, the AAA Program provides for payments to farmers who carry out soil-conserving and soil-building practices. To the farmer who previously had means of doing some of this work himself, the payments are a means of encouraging him to carry out more of such practices. It has been proven that it takes 100,000 years to wash away one foot of topsoil where there is a growth of grass. Where there is no protection and the land is being constantly cropped without rotation, it would take about 36 years and sometimes even less.

We have an average of 7 inches of good topsoil on the surface of the earth; yet without this surface soil, all land life would perish. With such a rapid rate of erosion and with only 7 inches of topsoil to begin with, when we take into consideration the fact that it takes from 400 to 1,000 years to replace an inch of topsoil, it brings forcibly to our minds the need for good soil-conserving practices.

With favorable weather conditions, the more fertile our soil is, the higher our yield per acre will be. With a higher yield per acre, it will not be necessary to seed as many acres to crop, thus saving an additional acreage from soil depletion. The higher the yield per acre, the lower the cost of production will be. The less it costs to raise a crop the bigger the net return will be. The larger the family income, the more comfortable the home is apt to be. Thus, the kinds of homes we find in the country depend upon how well the soil is handled.





## ABUNDANCE

In providing for abundance we mean helping the needy, low-income consumers get the agricultural and industrial products they need and at the same time insuring the city people of a stable supply of food and fiber at reasonable prices. The Ever-Normal Granary Plan helps us provide for abundance. The Ever-Normal Granary Plan is a plan for storing food in years of plenty for use in times of scarcity. It means not only plenty without a surplus for home consumption, but it also means a more regular flow of farm products into the nation's market.

An example of the Ever-Normal Granary Plan was probably set by the housewives. Why do the women in the home can meats, fruits and vegetables? They can because they can foresee the fact that there will be no garden on the farm during the winter time from which to pick fresh vegetables. To buy such products on the market in the winter would be too expensive. First, canning is a plan for plenty throughout the year and, second, it is a means of economy. The housewife has practiced these two things for years. Why shouldn't we do the same with our major agricultural products? The AAA Program has provided for such a plan. The crop insurance program enables us to put wheat into a reserve when the crops are good in order to have a supply for use in years of crop failure.

Commodity loans are provided for in the Agricultural Adjustment Act. Wheat loans enable the producer to obtain actual money income for his wheat when prices are low and at the same time keep the wheat off the market thus stabilizing both prices and income. Besides receiving a loan value above the market price at the time the loan is made, the producer has an opportunity to sell his wheat at a later date when the market price may be even above the loan value. The loan program and the crop insurance program are the basis for the Ever-Normal Granary reserves which provide protection for both the consumer and the producer against crop failures.

## PARITY

Parity price is the price at which a commodity such as wheat or cotton must sell in order to have the purchasing power for manufactured goods and other non-farm goods that it had before the World War, during the period from 1909-1914. This does not mean that the prices must be exactly what they were during that period, but rather that it should take the same amount of farm products to buy a tractor, binder, shoes, washing machine, stove, or any other article, as it did during the period from 1909 to 1914. This period was selected because there seems to have been a good balance between the prices of the things farmers sold and the prices of the things they bought. In 1932 it took 210 bushels to buy a farm wagon and in 1937 it took only 88 bushels of wheat to buy as good a wagon. Parity simply means a dollar for a dollar.





Parity income is derived from parity prices. In order to secure and maintain parity prices there must be a demand for the products produced. From 1929 to 1932, due to a decrease in demand, industry cut its production 59% keeping prices within 16% of what they had been in 1929. On the other hand, production of the five major farm products increased 6% from 1929 to 1932 and prices dropped 63%. Agriculture must control production as industry does. By limiting the acreage of crops grown, which is provided for in our program, an endeavor is being made to control supply with demand.

The total farm cash income in 1937 and 1938 was nearly double what it was in 1932, and yet with about 25% of the people in the United States living on farms, the farm population receives only from 8% to 11% of the total national income. The AAA Program helps the farm people secure a fair share of the national income. It helps to stabilize the farm income by providing for conservation payments, and parity payments on the major farm commodities when funds are available.

Farmers need better incomes to provide American living standards for their families. They need better incomes to educate their children, keep their farms, and build up their soil.

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In about the last seven years farmers of the United States have shown that they do not wish to carry on their farming operations as they have in the past. They do not want to farm without regard to supply and demand conditions in this country and the rest of the World. They cannot afford to go back to 32¢ wheat, and 19¢ corn.

Agriculture is a basic fundamental human need. All men and women ought to be able to gain a livelihood from agriculture. When we speak of agriculture we no doubt think of the farmer first of all. He is the main agriculturist; but the instability of agriculture has hurt business as well as the farmer.

By helping the farmer, the businessman and the whole nation profit. By increasing the farmer's purchasing power, he is able to feed and clothe his family well. He is able to buy household equipment from the merchant. He is able to buy farming machinery from the implement dealer. With an increase in sales the retail dealer has to increase his stock thus increasing the business of the wholesaler. The wholesaler in turn has to buy raw products, many of which come from the farm. The more farm products a farmer is able to market at a fair price, the better his purchasing power will be. Here we have a cycle, the foundation of which lies with the farmer. During about the last ten years it has been estimated that with every drop of \$100 in farm income there was a drop of \$80 in rural retail sales. On the upward turn of farm prices during the last ten-year period, every \$100 increase in farm income was accompanied by an increase of \$74 in rural retail sales.



The farm program is a splendid example of what approximately 6,000,000 families representing from 75 to 80% of the farmers in the United States can do when they have the leadership to do it. In North Dakota in the year 1937, 85% of the farmers participated in the AAA Program. In 1938, 87% of them participated and in 1939 we had the splendid cooperation of 93% of the farmers in North Dakota.

Each citizen has a definite responsibility in achieving the aims of the AAA Program and in making it a success. By achieving these aims we are really providing the nation with "better health," "better eating," and "better living." Men and women must all work together as one body in completing the task of making the farm family secure in the market place, on the land, and in the home.

Benjamin Franklin said, "We must all hang together or we will all hang separately."

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## FARM WOMAN'S CREED

I am a farm woman.

I live in the country and I love it.

As a farm woman I can have more complete companionship and partnership with my husband than I could anywhere else.

In the country my family can live in closer fellowship than is possible elsewhere.

In the country each one of us is important to the community life instead of being lost in the crowd.

On the farm our work, both inside and outside, is creative. And I, as a farm woman have a share in the great task of putting agriculture on a sounder basis and in making rural life all that we want it and expect it to be.

Taking it all in all, I would rather live in the country and raise my family in the country than any place else.

Yes, I am a farm woman.

Awarded first prize by a farm magazine which offered a prize for the best statement by a farm woman of reasons why she chooses life on a farm.





### SUGGESTED QUESTIONS FOR DISCUSSION

1. Is there a farm housewife anywhere in North Dakota who would not want a modern farm home with modern labor-saving facilities?
2. Have the housewives a right to such a home or don't they work hard enough for it?
3. What effect do dust storms have upon your family and your home? Your farm? Other farms?
4. How can we avoid these storms?
5. Can one farmer keep his farm land in perfect condition and thus avoid dust storms on his own farm?
6. What percentage of the farmers in North Dakota are participating in the AAA Program? In the United States?
7. The annual loss to America because of erosion is \$400,000,000. What could you do with your share of this amount?
8. How is our AAA Program helping to conserve our soil? Our homes? Our lives?
9. How does our AAA Program help increase the family income?
10. How does your farm program help you have a better home? Plenty of food to eat?

QUESTIONS FOR DISCUSSION

1. It states a fact in the first sentence of the first paragraph. What is the fact?
2. What is the author's purpose in writing this story? Is it to inform, to entertain, or to persuade?
3. What effect do you think the author's choice of words has on the reader? Is it to make the reader feel a certain way?
4. How does the author use the facts in the first paragraph to develop the story?
5. What is the author's attitude toward the subject? Is it one of sympathy, of indifference, or of hostility?
6. How does the author use the facts in the first paragraph to develop the story?
7. How does the author use the facts in the first paragraph to develop the story?
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Our Soil

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U. S. Dept. of Agriculture, AAA, Washington, D. C.

North Dakota

Written by Workers of the Federal Writers' Project of the  
Works Progress Administration for the State of North Dakota  
Bismarck, North Dakota

AAA's Part In the Agricultural Program

By J. B. Hutson, Assistant AAA Administrator

A Summary Survey On the Farm Front

By Henry A. Wallace, Secretary of Agriculture

Quotations from the Speeches of R. M. Evans, Administrator, AAA

MEMORANDUM

TO : The President, The Board of Directors, and the Executive Committee

FROM : The Secretary of the Board of Directors

SUBJECT: The Board of Directors

1. The Board of Directors has received the following information:

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